

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

THE PACID GROUP, LLC
Plaintiff,

v.

ALCATEL-LUCENT USA INC.
Defendant.

Civil Action No. _____

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

This is an action for patent infringement in which Plaintiff, The PACid Group, LLC, complains against the Defendant, Alcatel-Lucent USA Inc., as follows:

PARTIES

1. The Plaintiff, The PACid Group, LLC (“PACid”), is a Texas limited liability company with its principal place of business at Energy Center, 719 West Front Street, Suite 174, Tyler, Texas 75702-7965.

2. On information and belief, the Defendant, Alcatel-Lucent USA Inc. (“Alcatel”) is a Delaware corporation with its principal place of business at 600-700 Mountain Ave., New Providence, NJ 07974. Alcatel has appointed Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, as its agent for service of process.

JURISDICTION AND VENUE

3. This action arises under the patent laws of the United States, Title 35 of the United States Code. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). On information and belief, Alcatel has transacted business in this district, and has committed and/or induced acts of patent infringement in this district.

5. On information and belief, Alcatel is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this Judicial District.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 5,963,646

6. PACid is the owner by assignment of United States Patent No. 5,963,646 ("the '646 Patent") entitled "Secure Deterministic Encryption, Key Generator System and Method." The '646 Patent issued on October 5, 1999. A true and correct copy of the '646 Patent is attached as Exhibit A.

7. Guy Fielder and Paul Alito are the named inventors on the '646 Patent.

8. Upon information and belief, Defendant Alcatel has been and now is directly and jointly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of the '646 Patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, making, using, importing, selling, or offering to sell certain Alcatel products employing methods for generating pseudo-random, symmetric encryption keys covered by one or more claims of the '646 Patent to the injury of PACid. For example, certain Alcatel products include program instructions executable to generate encryption

keys by combining a constant value with a secret plural bit sequence, and performing a secure hash operation on the shuffled bit result to produce a message digest from which the encryption key is extracted. The encryption keys are used to encrypt and decrypt data transmitted over wireless networks that are enabled by the hardware/software made, used, sold and/or offered for sale by Defendant Alcatel. Defendant Alcatel is thus liable for infringement of the ‘646 Patent pursuant to 35 U.S.C. § 271.

COUNT II

INFRINGEMENT OF U.S. PATENT NO. 6,049,612

9. PACid is the owner by assignment of United States Patent No. 6,049,612 (“the ‘612 Patent”) entitled “File Encryption Method and System.” The ‘612 Patent issued on April 11, 2000. A true and correct copy of the ‘612 Patent is attached as Exhibit B.

10. Guy Fielder and Paul Alito are the named inventors on the ‘612 Patent.

11. Upon information and belief, Defendant Alcatel has been and now is directly and jointly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of the ‘612 Patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, making, using, importing, selling, or offering to sell certain Alcatel products employing methods for protecting information files from unauthorized access covered by one or more claims of the ‘612 Patent to the injury of PACid. For example, certain Alcatel products include program instructions executable to generate encryption keys and encrypt information files by combining a constant value with a secret plural bit sequence, and performing a secure hash operation on the shuffled bit result to produce a pseudo-random result from which the encryption key is extracted. The executable program instructions then use the encryption keys to encrypt information files and concatenate the constant value to a beginning of

the encrypted information file prior to transmission over wireless networks that are enabled by the hardware/software made, used, sold and/or offered for sale by Defendant Alcatel. Defendant Alcatel is thus liable for infringement of the ‘612 Patent pursuant to 35 U.S.C. § 271.

12. On information and belief, to the extent any marking was required by 35 U.S.C. § 287, all predecessors in interest to the ‘646 and/or ‘612 Patents complied with any such requirements.

13. To the extent that facts learned in discovery show that Alcatel’s infringement of the ‘646 and/or ‘612 Patents is or has been willful, PACid reserves the right to request such a finding at time of trial.

14. As a result of Alcatel’s infringement of the ‘646 and/or ‘612 Patents, PACid has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless Alcatel’s infringing activities are enjoined by this Court.

15. Unless a permanent injunction is issued enjoining Alcatel and its agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the ‘646 and/or ‘612 Patents, PACid will be greatly and irreparably harmed.

PRAAYER FOR RELIEF

WHEREFORE, PACid respectfully requests that this Court enter:

1. A judgment in favor of PACid that Alcatel has infringed, directly, jointly, and/or indirectly, by way of inducing and/or contributing to the infringement of the ‘646 and/or ‘612 Patents, and that such infringement was willful;

2. A judgment and order requiring Alcatel to pay PACid its damages, costs, expenses, and prejudgment and post-judgment interest for Alcatel’s infringement of the ‘646 and/or ‘612 Patents as provided under 35 U.S.C. § 284;

3. A permanent injunction enjoining Alcatel and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement, inducing the infringement of, or contributing to the infringement of the '646 and/or '612 Patents;

4. A judgment and order requiring Alcatel to pay PACid its damages, enhanced damages, costs, expenses, and prejudgment and post-judgment interest for Alcatel's infringement of the '646 and/or '612 Patents;

5. A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to PACid its reasonable attorneys' fees; and

6. Any and all other relief to which PACid may show itself to be entitled.

DEMAND FOR JURY TRIAL

PACid, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

October 30, 2009

Respectfully submitted,

By: /s/ Andrew W. Spangler

Andrew W. Spangler– LEAD COUNSEL
State Bar No. 24041960
SPANGLER LAW P.C.
208 N. Green Street, Suite 300
Longview, Texas 75601
Telephone: 903-753-9300
Facsimile: 903 553-0403
spangler@spanglerlawpc.com

Marc A. Fenster
California Bar No. 181067
RUSS, AUGUST & KABAT
12424 Wilshire Boulevard 12th Floor
Los Angeles, California 90025

Telephone: 310/826-7474
Facsimile: 310/826-6991
E-mail: mfenster@raklaw.com

**ATTORNEYS FOR PLAINTIFF
THE PACID GROUP, LLC**